



April 11, 2024

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***SUBJECT TO FED. R. EVID. 408
VIA UPS NEXT DAY AIR AND EMAIL***

Bruce Shreeve
President
American Wood Dryers, LLC
15495 SE For Mor Court
Clackamas, OR 97015
info@drykilns.com

RE: AWD's Infringement of USNR's U.S. Patent Nos. 8,875,414;
9,482,465; 9,709,328; 10,203,156; 10,969,172; and 11,740,020

Dear Mr. Shreeve:

We represent USNR, LLC ("USNR") in intellectual property matters. We understand that American Wood Dryers, LLC ("AWD") is making, using, selling and offering for sale a unidirectional wood kiln identified as a "Single Pass Continuous Dry Kiln" (herein, the "SPC kiln"), similar to unidirectional kilns made and sold by USNR.

USNR's unidirectional kiln technology is protected by U.S. Patent Nos. 8,875,414 ("the '414 Patent"); 9,482,465 ("the '465 Patent"); 9,709,328 ("the '328 Patent"); 10,203,156 ("the '156 Patent"); 10,969,172 ("the '172 patent"); and 11,740,020 ("the '020 Patent") (collectively, "USNR's Unidirectional Kiln Patents," copies of which are attached as Exhibit A hereto. Other patents assigned to USNR are listed at <https://www.usnr.com/en/page/ip>, a current printout of which is attached as Exhibit B.

USNR's patent rights are important assets of its business, and represent a substantial investment of time and resources so that USNR can provide superior products and services for the benefit of consumers. While USNR respects *bona fide* innovations of its competitors, it is prepared to enforce against unauthorized uses of its patented technology.

This is to notify you that AWD's SPC kiln infringes each of the six USNR patents identified above, and to demand that AWD cease and desist from its infringing activities concerning such products.

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USNR's Unidirectional Kiln Patents claim certain unidirectional wood kilns, as well as methods of making and using such kilns. By way of illustrative example, claim 6 of the '328 patent recites:

6. A system for drying lumber, comprising:
 - an elongated enclosure having first and second opposite ends, a first chamber, a second chamber adjoining the first chamber, a charge entry with one or more charge entry portals at or near the first end, a charge exit with another one or more charge exit portals at or near the second end, and a longitudinal axis that extends through said ends and defines generally opposite first and second sides of the second chamber;
 - a transport system configured to advance a first lumber charge in a first direction along a first flow path that extends through the first side and to advance a second lumber charge in the first direction along a second flow path that extends through the second side, wherein the first and second flow paths are generally parallel to the longitudinal axis;
 - a heat source operatively coupled to the second chamber; and
 - one or more fans positioned to circulate heated air received from the second chamber across at least the first flow path within the first chamber.

AWD's SPC kilns are systems for drying lumber that infringe each limitation of this claim as detailed in the Appendix hereto. Based on a similar analysis, we further conclude that AWD's SPC kilns infringe at least '414 Patent claim 3, '465 Patent claim 1, '156 Patent claim 1, '172 Patent claim 11, and '020 Patent claim 9. USNR's Unidirectional Kiln Patents also include various method claims that AWD likely infringes or induces its customers to infringe by making or using AWD's SPC kilns, or by converting existing kilns.

Patent infringement violates federal statute 35 U.S.C. § 271, and may subject the infringer to an injunction under 35 U.S.C. § 283 and substantial monetary damages under 35 U.S.C. § 284. A willful infringer may be liable for treble damages and for the patent owner's attorneys' fees under 35 U.S.C. § 285.

USNR demands that AWD promptly ***cease and desist*** from making, using, selling, or offering to sell its infringing SPC kilns, or any substantially similar lumber drying services and/or systems. We further request that AWD provide the following by no later than **April 25, 2024**:

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- 1) AWD's written assurance that it has and will comply with the cease and desist demand herein; and
- 2) A worldwide accounting of the number of SPC kilns made, sold, offered for sale, or imported into the United States, including:
 - (a) the identity of each purchaser of new or converted SPC kilns, or of AWD's services related to building or converting SPC kilns;
 - (b) a breakdown of the number of new and converted SPC kilns purchased by each customer, including the date and amount of each purchase and the date and location of each construction or conversion;
 - (c) to the extent not included in part *b*, an accounting of each instance in which AWD provided services relating to the making or conversion to an SPC kiln, including the identity of the customer, total sale amount, and location of the build or conversion;
 - (d) a total accounting of AWD's revenues and profits from the foregoing, broken out by new kilns, converted kilns, and services; and
 - (e) an accounting of any SPC kilns built or converted for AWD's use, including the date and location of each construction or conversion.

Provided that AWD timely complies with the above requests and agrees to fairly compensate USNR for its infringing activities, USNR will be willing to discuss terms for an orderly transition to non-infringing designs.

This letter is not intended as a complete recitation of all claims that USNR may have against AWD, and USNR reserves all rights. Finally, we remind you of AWD's duty to preserve all documents, things, and other forms of evidence in its possession, custody or control that may be relevant to this matter.

Thank you for your attention to this important matter. We look forward to AWD's prompt reply.

Very truly yours,



Jason A. Wrubleski

Enclosures

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APPENDIX

Infringement of '328 Patent claim 6 by SPC kiln

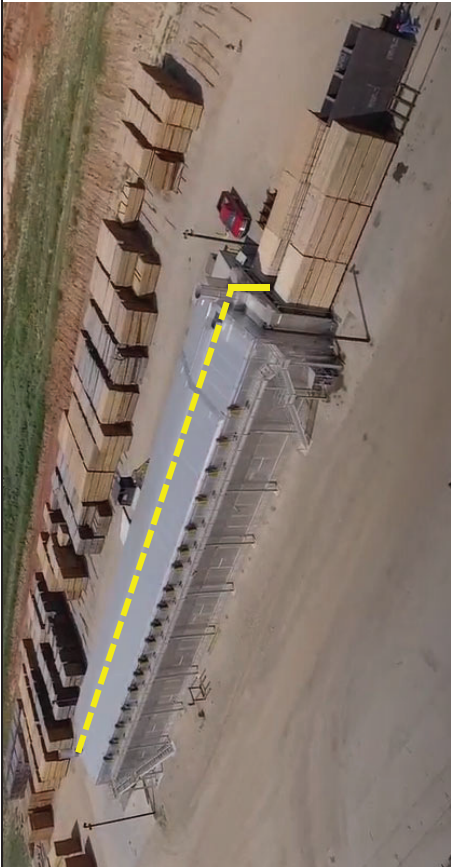
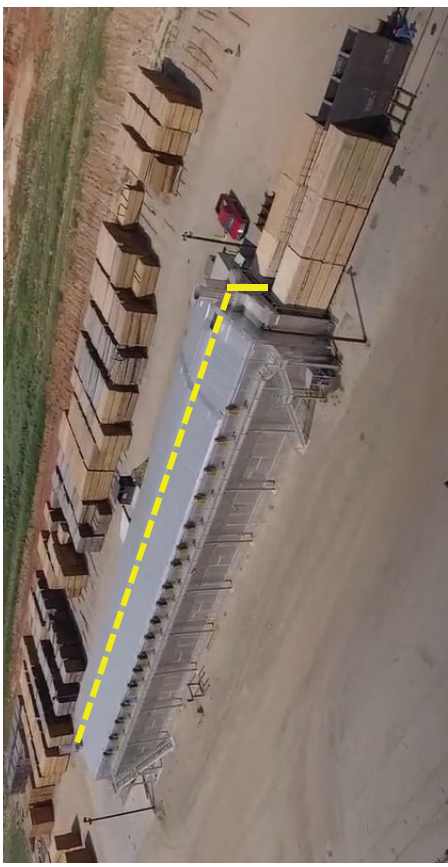
Limitation	References
an elongated enclosure having first and second opposite ends,	<p>The SPC kiln is an “elongated enclosure” with first and second opposite ends, as demonstrated in AWD’s “Dry Kiln for Lumber” YouTube video accessible at https://www.youtube.com/watch?v=RZlxqIBrH20:</p> 
a first chamber, a second chamber adjoining the first chamber,	<p>The SPC kiln has first and second adjoining chambers: “[T]he AWD design uses takes hot gas from the main heating section and feeds it into the preheat section, so it’s already heating continuously as the lumber pack comes into the main heating section, then cooling and equalizing as it moves into the cooling section. ... Hydraulic pushers below the kiln cart move lumber from the preheat section to the main heat to the cooling-equalizing section determined by the AWD control system.” (“Trending Upward”¹ at p. 12.)</p>

¹ References to “Trending Upward” herein are to Jessica Johnson’s article by that name appearing at pp. 10-18 of the May 2020 issue of *Timber Processing*.

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<p>a charge entry with one or more charge entry portals at or near the first end, and</p>	<p>The SPC kiln also has a charge entry with one or more charge entry portals at or near the first end:</p>  <p>One of the latest projects in Antlers, a new American Wood Dryers continuous dry kiln, featuring a single-pass design that uses internal dampers and baffles to control heat flow as lumber passes from one section to another</p> <p>(“Trending Upward” at p. 10.)</p>
<p>a longitudinal axis that extends through said ends and defines generally opposite first and second sides of the second chamber;</p>	<p>The SPC kiln has a longitudinal axis that extends through said ends and defines generally opposite first and second sides of the second chamber:</p>

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	 <p>(From “Dry Kiln for Lumber” video, <i>supra</i> (annotations added).)</p>
<p>a transport system configured to advance a first lumber charge in a first direction along a first flow path that extends through the first side and to advance a second lumber charge in the first direction along a second flow path that extends through the second side, wherein the first and second flow paths are generally parallel to the longitudinal axis;</p>	<p>The SPC kiln advances first and second lumber charges in the same direction along paths extending through the first and second sides of the second chamber and that are parallel to the longitudinal axis of the kiln:</p>  <p>(From “Dry Kiln for Lumber” video, <i>supra</i> (annotations added).)</p>

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	 <p>green lumber entering kiln</p> <p>dried lumber exiting kiln on same parallel paths</p> <p>One of the latest projects in Andlers, a new American Wood Dryers continuous dry kiln, featuring a single-pass design that uses internal dampers and baffles to control heat flow as lumber passes from one section to another</p> <p>(“Trending Upward” at p. 10.)</p> <p>This advancement of lumber is accomplished by a transport system: “Hydraulic pushers below the kiln cart move lumber from the preheat section to the main heat to the cooling-equalizing section determined by the AWD control system.” (“Trending Upward” at p. 12.)</p>
<p>a heat source operatively coupled to the second chamber; and</p>	<p>The SPC kiln system includes a heat source operatively coupled to the second chamber, which in this instance is the main heating chamber: “The new kiln is gas fired...” (“Trending Upward” at p. 11.)</p>

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one or more fans positioned to circulate heated air received from the second chamber across at least the first flow path within the first chamber.

The SPC kiln circulates heated air received from the second chamber across lumber moving along at least the first flow path in the first chamber: “The single-pass system that the AWD design uses takes hot gas from the main heating section and feeds it into the preheat section, so it’s already heating continuously as the lumber pack comes into the main heating section...” (“Trending Upward” at pp. 11-12.)

This is accomplished with “fans arranged adjacent the pre-heating chamber, the conditioning chamber, and the main drying chamber, wherein some of the fans are arranged between the pre-heating and the main drying chamber to transfer heat from the main drying chamber to the pre-heating chamber...” (AWD’s U.S. Patent No. 9,927,173 at 5:19-24. *See also id.* at 6:15-22, Fig. 1 (reproduced below); AWD’s U.S. Patent No. 10,082,335 at 5:38-43, 6:27-34, Fig. 1 (same); <https://www.drykilns.com/> (AWD website directing visitors to “Check out our patented Single Pass Continuous Kiln”); “Dry Kiln for Lumber” video, *supra* (with description, “Continuous Dry Kiln, Patented Single Pass by American Wood Dryers”).)

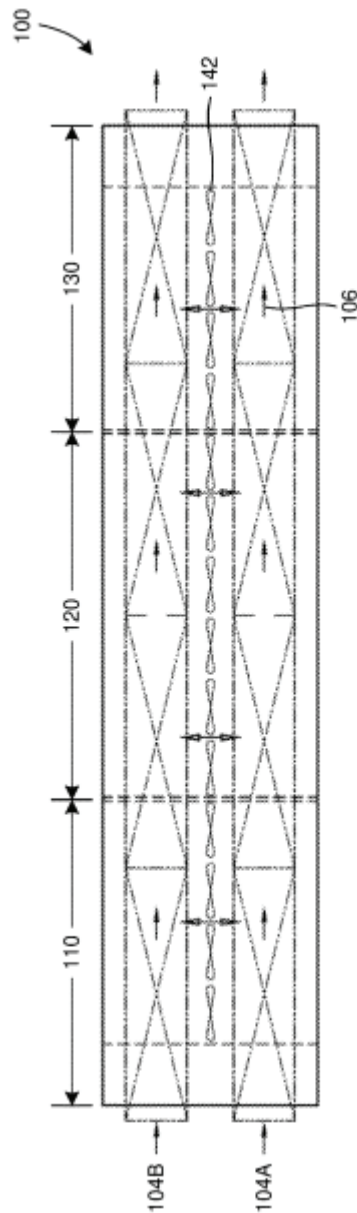


FIG. 1